



14 July 2021

ASX Announcement (ASX:BBT)

BlueBet takes its first step into the USA sports betting market after signing 'skin' agreement in Iowa

Highlights

- BlueBet has today signed a 'skin' agreement with Dubuque Racing Association Ltd, a licensed wagering operator in Iowa.
- The agreement with Dubuque Racing Association Ltd, which operates Q Casino, will allow BlueBet to operate a new online sportsbook in Iowa (pending regulatory approval and licensing).
- The licence is for an initial term of 5 years, which will automatically renew for a further 5 years if BlueBet elects to do so.
- The Iowa sports wagering market recorded handle (or turnover) of US\$1.2bn last financial year and is one of 5 key USA states targeted by BlueBet for our initial USA market entry.
- The company also remains in negotiations with skin holders in further USA states and awaits the result of its pending license application in Virginia.

Mobile-first online wagering provider, BlueBet Holdings Ltd (BlueBet) (ASX:BBT), is pleased to announce its wholly owned subsidiary BlueBet Iowa LLC has signed a skin agreement with Dubuque Racing Association Ltd, the operator of Q Casino.

The agreement with Dubuque is a 'skin' agreement, whereby BlueBet will conduct its online sportsbook operations in Iowa as an extension of the existing casino licence.

Key features of the Dubuque agreement include:

- The new online sportsbook will be offered through BlueBet's mobile app and website platforms (pending completion of regulatory approval and licensing);
- The initial term of five years which automatically renews for a further five years unless BlueBet provides notice of non-renewal by January 2026; and
- BlueBet will pay to Dubuque Racing Association a portion of the Net Gaming Revenues derived from the online sportsbook operations;

Sports betting is a rapidly growing market in the USA following the 2018 repeal of Professional and Amateur Sports Protection Act (1992) and 21 states have now legalised sports betting. While the USA market is currently smaller than Australia, it has significant growth potential, with market

revenue in 2025 variously forecast at US\$8.5 billion to US\$13.5 billion. As with Australia, the online channel is set to dominate sports betting in the USA.

The agreement is consistent with BlueBet's stated strategy of entering the USA in a staged approach. BlueBet has identified up to five priority states in the USA – Virginia, Iowa, Colorado, Tennessee and Maryland – for its initial market entry as a wagering provider. In these markets, BlueBet intends to pursue a B2C offering, which will allow it to establish a footprint and optimise the team and products for the USA market.

BlueBet selected Iowa as one of its initial target jurisdictions based on criteria which include: legalised state-wide online mobile gaming; low capital expenditure requirements; acceptable taxation and regulatory requirements, as well as significant populations.

BlueBet's Chief Executive Officer, Bill Richmond, commented:

This is a significant milestone in BlueBet's entry to the USA market. We are taking a very considered, staged approach to market entry in the USA, and we are tremendously excited to be announcing this agreement with the Dubuque Racing Association.

We are initially launching a B2C business to demonstrate both the capability of our technology and our team, both of which have been honed by years of successful operation in Australia, ahead of moving to our Sportsbook-as-a-solution offering in the USA. This strategy allows us to access the tremendous USA opportunity without large ongoing capital expenditure.

Iowa is a large wagering market with huge potential, and it perfectly fits our criteria. Since sports betting was approved by the Iowa legislature in August 2019 it has grown rapidly to a US\$1bn+ market in FY21, 85% of which is now placed through mobile or online. We look forward to growing our online sports book in partnership with Dubuque and expect our mobile first online offering to resonate strongly with customers who have demonstrated a strong affinity for mobile wagering.

We are continuing to explore opportunities with existing license holders in numerous jurisdictions and also await a decision on a pending license application for Virginia.

This announcement has been approved for release by BlueBet's CEO Bill Richmond, on behalf of the BlueBet Board.

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About BlueBet

BlueBet is a mobile-first, online bookmaker with a vision to provide more innovative wagering products to customers of Australian and international racing and sports.

BlueBet offers wagering products on 31 sports in Australia and internationally, plus entertainment and politics wagering markets. BlueBet provides customers a wide range of traditional wagering products as well as more innovative products, such as Exotics, Same Game Multis and Same Race Multis.

BlueBet is powered by a scalable, cloud-based technology platform, which has been materially customised and enhanced by the Company to focus on providing customers with the best experience possible. BlueBet has developed its customer-facing technology platform, website and native apps with a mobile-first strategy, to deliver a premium mobile experience to the customer.

About Q Casino

Q Casino is a full-service casino located near the Mississippi River in Dubuque Iowa. The casino is owned by the City of Dubuque and operated by the 501 (c)4 non-profit corporation, Dubuque Racing Association Ltd. It is licensed by the Iowa Gaming Association and has been operating since 1985.